What you do:
(see the diagram below)

1. Fold the paper in half lengthwise, crease and unfold.
2. Fold in half widthwise and then fold it in half again, crease and unfold.
3. You should see eight rectangles.
4. Fold in half widthwise again. Cut along center crease from the folded edge to the dot.
5. Open paper, fold lengthwise.
6. Place end sections together to fold into a small book with four pages.